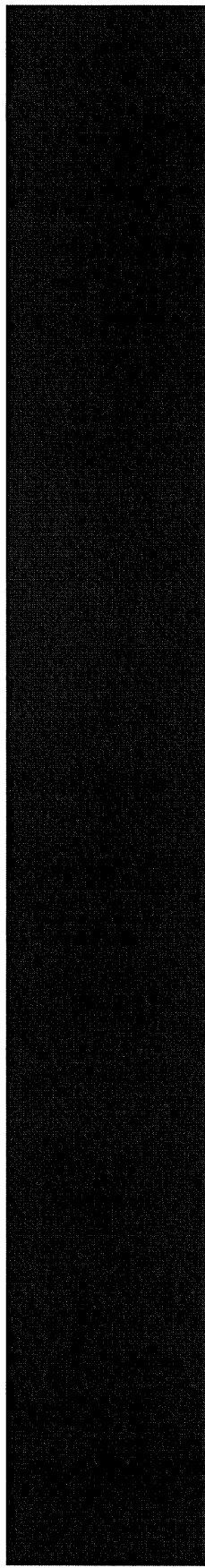


**Presentation for
Relief from
the Distress Unit Appeal Board**

January 2010



Gary Chicago Airport Revenue

Assumptions

- T-Hangar rate increased 3% 2009. No increase in 2010 due to economic factors; revisit 2011 and 2012
- Landing Fees increased \$.10/1000 lbs in 2009
- Fuel Flowage increased .02/gallon in 2009 and proposed .01/gallon in 2011 and 2012
- 2008 Implemented parking lot fees from charters and other flights



Gary Chicago Airport Expense Assumptions

- 2009 and 2010 no raises. 2011 and 2012 will be evaluated each year
- Staff reduced 2009 by 5% and vacant positions were not filled
- Cost cutting in administrative, maintenance, ARFF, operations, and security
- Cost Shifting to the Compact approximately \$280,000 2009, 2010, 2011, 2012.

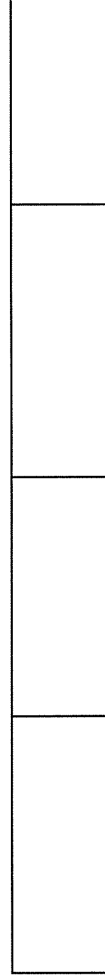


Airport Director

Chris Curry

Deputy Airport Director

Steve Landry



Finance **Special Projects** **Admin** **Operations** **Maintenance** **Security** **Marketing**

Nikki Thom

Robert Gyuriko

Dee Scott

Kahari Velez

Greg Brown

Donnetta Whitehead

Lori Sloan

Kathleen Kurfman

Vacant

Mario Flores

Vacant

Lynette Nixon

James Boykin

Mike Williams

Raymond Castellano

Lloyd Kelly

Steve Daniels

Keenan Cash

Nicholas Dennis

Anthony Floyd

Vacant

Employed by CGRAA



GaryChicago
International Airport

Gary Chicago Airport Additional Assumptions

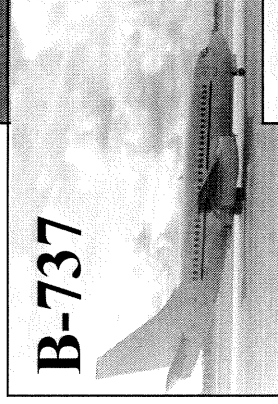
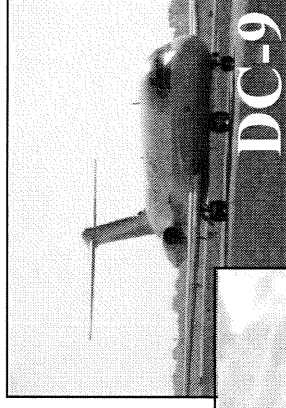
- **Runway Expansion project completed in 2012**
- **With expanded runway, the Airport would have regular airline service in 2012**
- **Certain revenues would increase as a result of airline service: fuel flowage and parking lot revenue**
- **Expenses would also increase including salaries, janitorial services, ARFF, marketing, and utilities**



Runway 12/30 Expansion

We are expanding our longest runway by 1,900 feet from 7,000 to 8,900 feet, which will allow us to accommodate almost any type of aircraft in commercial and military inventories.

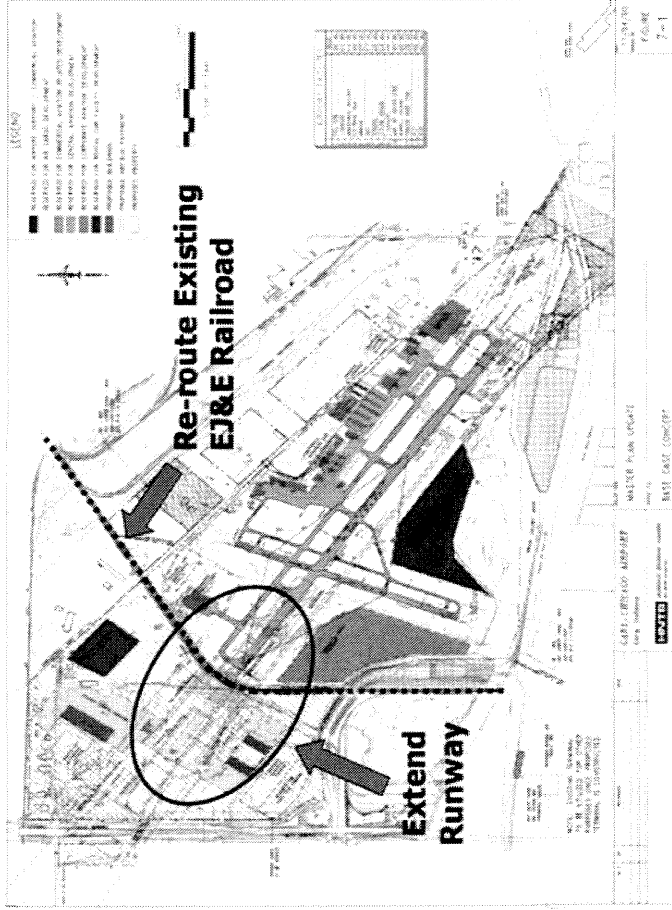
Shown are several pictures taken at the airport revealing several of the larger aircraft that we currently accommodate.



GaryChicago
International Airport

Airfield Configuration

- Two Runways
 - 12/30: 7,003 x 150 ft
 - 2/20: 3,603 x 100 ft
 - CAT I ILS approach on 12/30
 - RNP procedures on 12/30
- Runway 12/30 expansion is underway to increase length from 7,003 to 8,900 feet.
- 177 acres recently acquired that increases airport footprint to 820 acres. *Room to grow and meet future demand*
- Funding Sources
 - FAA= \$57.8M
 - State of Indiana= \$20.0M
 - City of Chicago= \$9.5M



The City of Chicago is an active participant in the development of air service at Gary Chicago International Airport



GaryChicago
International Airport

Gary/Chicago International Airport in Comparison

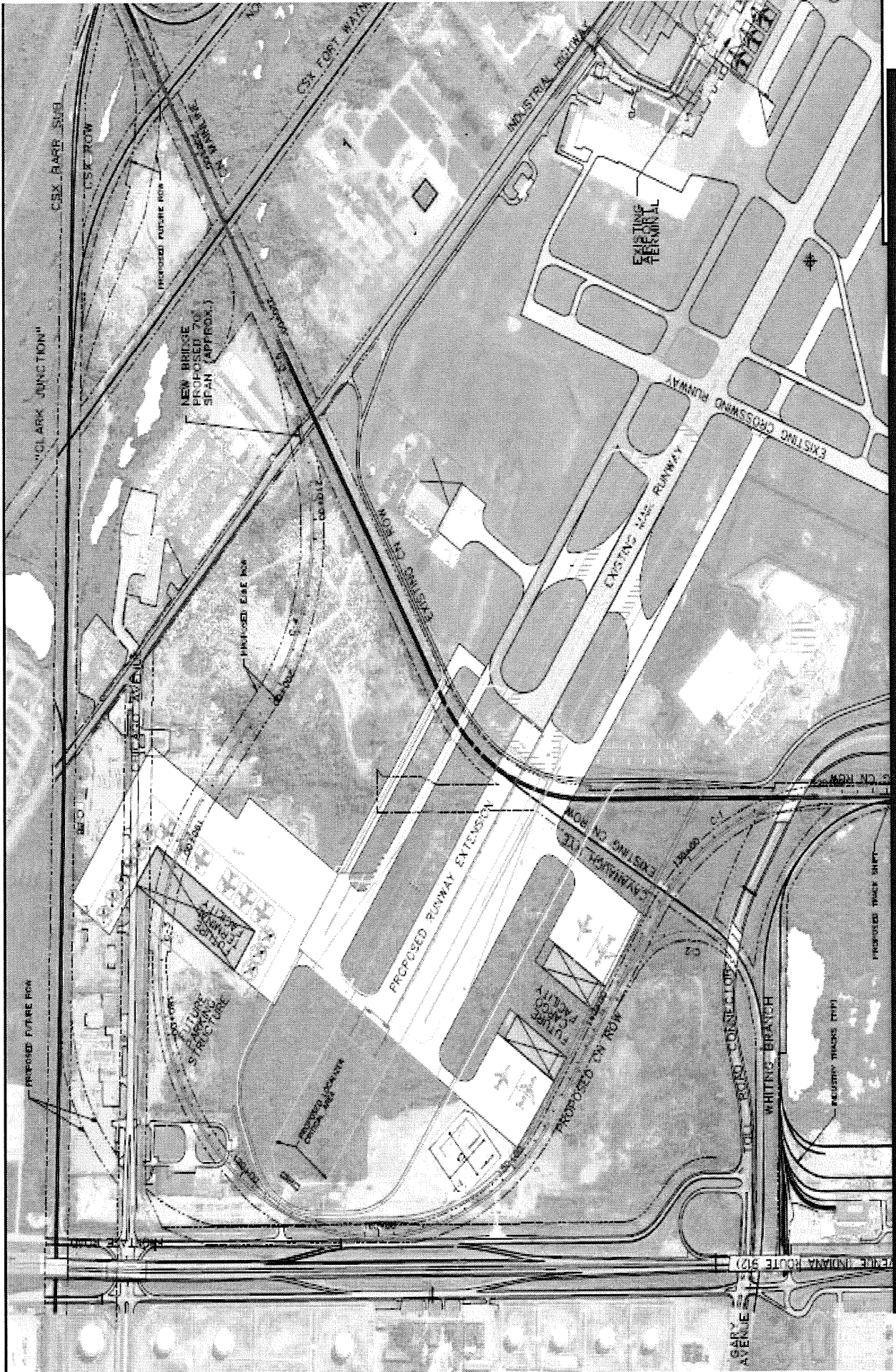
<u>Airport</u>	<u>Acres</u>	<u>Passengers/Year</u>
LaGuardia	680	22 M
San Diego	614	15 M
Midway	760	17.3 M
Gary/Chicago	820 (today)	Growing



Runway Expansion Projects



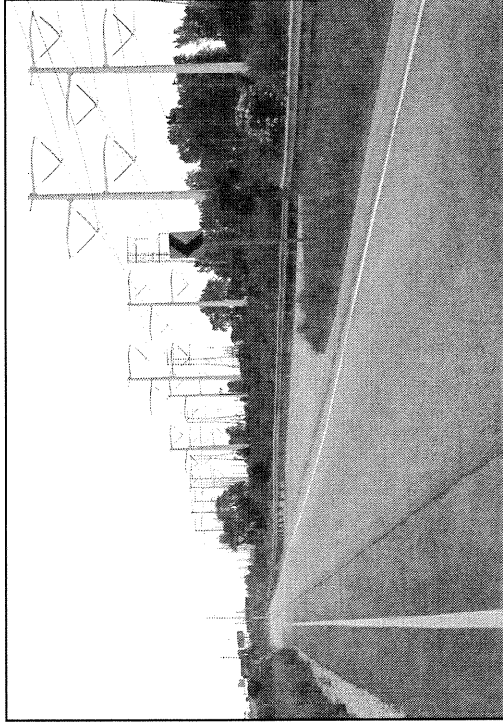
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Power Line Relocation Project

The existing NIPSCO power lines were determined to be within the proposed runway approach surface for the runway 12-30 extension and have to be relocated. The NIPSCO high voltage power lines relocation and transformer substation construction project has been awarded to Newkirk Electrical Associates Company. Electrical Cables for the project were procured and awarded in June 2007. The total project cost was approximately \$15 million. The project was completed in January 2009.



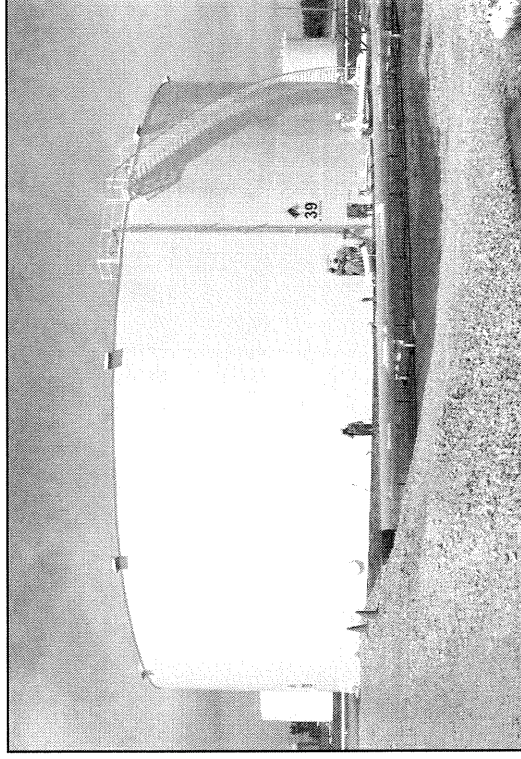
Shown above is a picture of the power lines. The power lines are owned by NIPSCO and will continue to be owned/operated by NIPSCO.



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Citgo Storage Tank Relocation

- A Citgo storage tank (No. 52) was determined to be within the proposed runway protection zone (RPZ).
- The fuel tank was demolished and a new replacement fuel tank was constructed in a nearby location.
- The project was completed in Spring 2008.



Shown above is the new fuel tank that was constructed.



Environmental Issues

- Wetland impacts. US Army Corps 404 Permits required to fill wetlands.
- Airport pursuing 2 separate 404 permits:
 1. Airport issued Permit One in January 2008. Permit One is for railroad only construction. 3 acres impacted.
 2. Permit Two for runway extension. 37 acres impacted. Final mitigation ratio is 2:1. Mitigation properties have been identified. Permit application pending acquisition of property to be used for mitigation.



Acquisition of School Properties

- Two properties owned by Gary School Corporation identified in 2006 for mitigation. Total of 102 acres.
- Independent appraisals were conducted by GSC and GCIAA
- Appraised value for both properties was \$375,000
- June 2009, the City of Gary Board of Public Works approved the use of eminent domain to acquire properties owned by GSC
- It is expected that the legal process could be resolved by April 2010 unless both entities can reach an agreement.



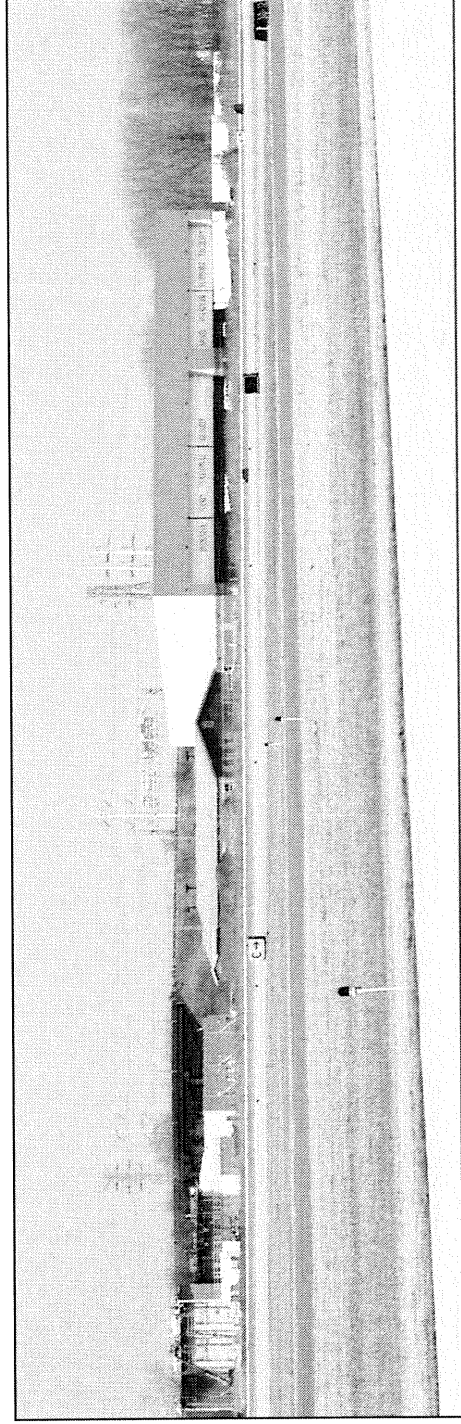
Airport Related Projects



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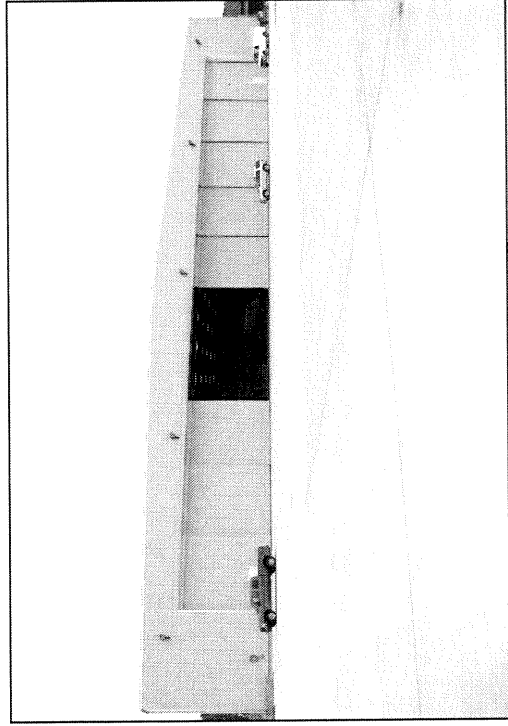
U.S. Army National Guard at Gary/Chicago International Airport

A new 56,000 square-foot Limited Army Aviation Support Facility (LAASF) opened in Summer 2008. Construction of a 44,000 square-foot Readiness Center, has been completed.



GaryChicago
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Gary Jet Center West Hangar



The Gary Jet Center recently built a 38,000 square foot hangar next to the Airport Administration Building.

The project was completed in Spring 2008. The new hangar will accommodate storage for an assortment of aircraft.



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New Partnership Executive Hangars

The Gary Chicago International Airport has developed a partnership with Raymond Lewick & Associates (RLA) to lease airport land to RLA for construction of a new hangar facility designed for the “mobile” executive.

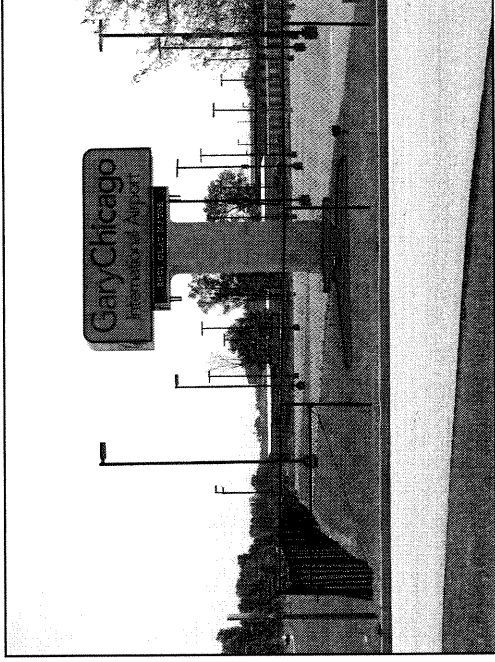
This facility will be the home of four (4) individual hangars large enough to house light twin jets or twin engine props. Each upscale, heated hangar will include an office area and restroom facilities.

The land has been cleared to begin the initial phase of the project. The project’s completion is expected in late spring 2010.



Airport Fencing

Stimulus Funding



The airport will begin a project to upgrade its current fencing by increasing the its height surrounding the airport grounds.

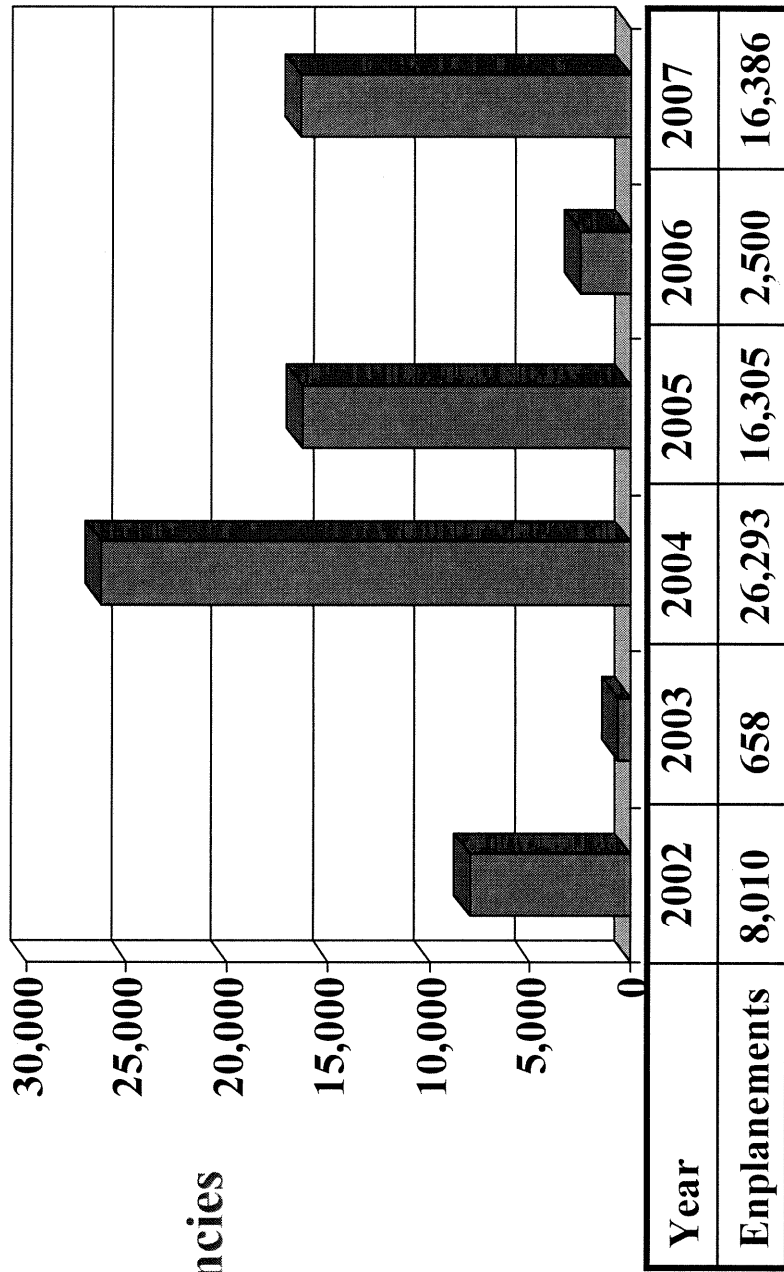
This project is important for securing the property from wildlife. The project began in September 2009 and should be completed in January 2010 weather permitting.



Air Service During Recent Years

Past air carriers served had:

- Limited frequencies
- Low brand recognition
- No major hub connections



Airport Planning Initiatives



GaryChicago
International Airport

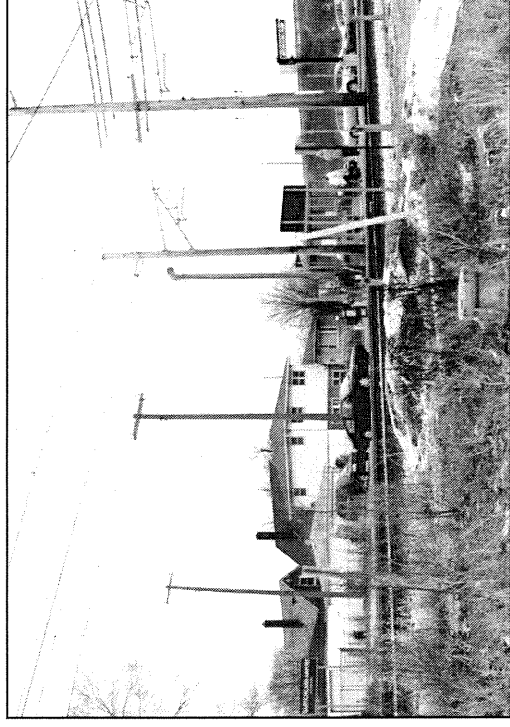
Business and Strategic Plan

- Selection committee formed by RDA and GCIAA
- 6 candidates applied through RFQ process
- Landrum and Brown was selected; Chicago based company
- Explore all options for airport; commercial service, cargo, aviation school, maintenance and repair facility, helicopter operation, facilities etc.....
- Projected completion date May 2010

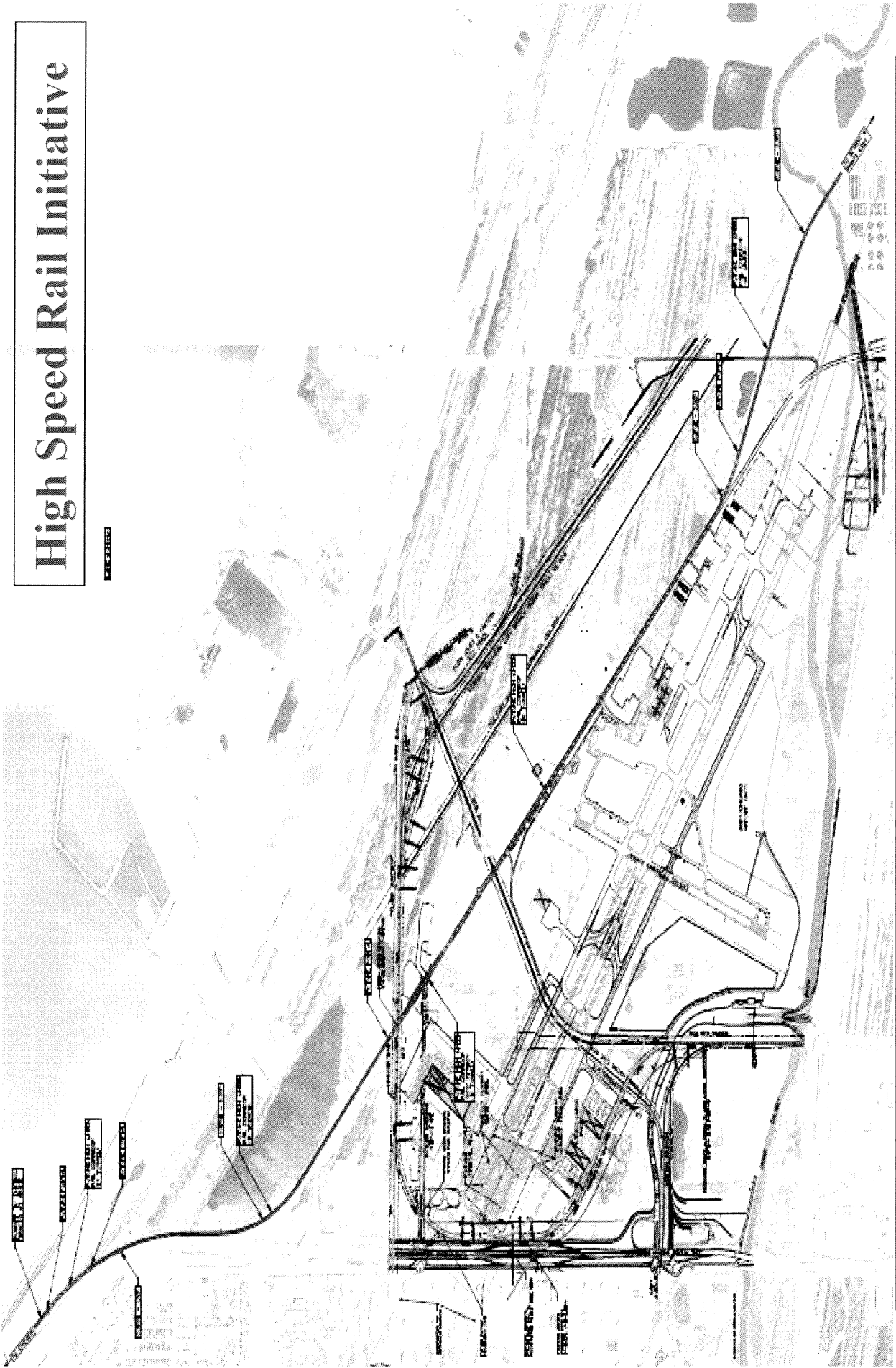


Gary/Chicago International Airport South Shore Station at Clark Road

- 1.7 million Federal Transportation Administration grant obtained in 2005 by Gary/Chicago International Airport for use by the airport.
- Approximately \$425,000 in matching local funds required by Gary/Chicago International Airport.
- Grant to be implemented by formal agreement between Gary/Chicago International Airport and Northern Indiana Commuter Transportation District (NICTD).



High Speed Rail Initiative



GaryChicago
International Airport

Gary Chicago Airport Conclusion

- **The Airport has attempted to present a plan to comply with the mandates of the law**
- **Maintaining the FAA Part 139 certification is essential to the long term growth of the Airport and economic development of NW Indiana as a whole**
- **Airport is in expansion mode**



Questions?



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